



Ninety-Ninth Legislature - First Session - 2005
Introducer's Statement of Intent
LB 484

Chairperson: Douglas Cunningham
Committee: Business and Labor
Date of Hearing: January 31, 2005

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 484 was introduced at the request of the Department of Labor. LB 484 contains anti-SUTA dumping provisions designed to eliminate the practices of some employers who artificially reduce their state unemployment tax rate through paper “transfers” between related business entities. These changes are necessary in order for Nebraska’s unemployment laws to continue to comply with federal mandates.

LB 484 would also:

- Exempt National Guard and Reserve training pay from the definition of wages.
- Authorize the Department of Labor to pay unemployment benefits through the use of electronic fund transfers.
- Provide that a prisoner cannot draw unemployment benefits while incarcerated.
- Provide that any person adjudicated to have fraudulently received unemployment benefits twice in a five year period cannot draw additional benefits until he/she repays the benefits fraudulently obtained.
- Require some employers to file and pay their unemployment taxes electronically.
- Provide that employers owing less than five dollars in unemployment taxes would not be required to pay the tax.
- Amend Neb. Rev. Stat. § 48-649 to allow the Commissioner of Labor more flexibility by giving him the option of setting the State Unemployment Insurance Tax (SUIT) rate in those years when it is imposed at rates less than twenty percent of the combined tax rate.
- Provide that if an employer participates in a fraudulent scheme to pay an employee unemployment benefits, the employer’s experience account is not credited back with any recovered overpayments arising from the fraud.

Principal Introducer:

Douglas Cunningham, Chairperson
Committee on Business and Labor
